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Comptroller

27 July 1953

Chief, Fiscal Division

Proposed Change in Procedure of Reporting Each Pay Period
to Individuals Their Salary Earnings and Deductions

1. Consideration is being given to simplifying our method of furnishing the individual with information of the items entering into the computation of his pay check and presenting it in a manner more understandable to him.
2. Under the present procedure an individual, whose earnings for the pay period consist only of his normal pay, receives a copy of the Time and Attendance Report (T/A) along with his pay check; and, in instances where the individual has additional compensation he also receives an IBM card form "Notice to Employee of Additional Compensation". This procedure requires the use by the individual of the T/A report and the IBM card to understand, or verify the correctness of, his check. Furthermore, under this procedure the Payroll Branch in its distribution function is required to group the pay checks, T/A reports and the additional compensation cards, when involved, by allotments. The above documents also require merging according to individuals in the administrative offices after they are received from the Payroll Branch.
3. Under the proposed procedure every individual will receive with his pay check a single Statement of Earnings and Deductions which will be all inclusive, readily understandable, and the net amount shown thereon will agree with the amount shown on the pay check. Furthermore, distribution will be simplified in the Payroll Branch and the administrative offices, since the pay checks and the statements will be mechanically merged within the pay check issuance and IBM operations. Whereas at present the administrative offices return the original and copy of the T/A report to the Payroll Branch, under the proposed procedure the administrative offices will be permitted to retain the duplicate copy for disposition as desired; or, the future may determine it desirable to furnish the administrative offices, in the first instance, only an original T/A report to be returned to the Payroll Branch. However, in the event of a decentralization of leave records such a duplicate copy would be required in the administrative offices as a record of the individual's leave. Therefore the proposed procedure is considered an improvement and a more efficient operation with either a centralized or a decentralized

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leave procedure. If leave records are not to be decentralized in the future the duplicate copy of the T/A report could be eliminated under the proposed procedure thereby effecting a saving of approximately \$2000 per annum in the cost of the T/A form; and, the workload in the Payroll Branch would be lessened by eliminating the operation of separating the original and copy of the T/A forms and removing the carbon paper.

4. The present procedure requires producing approximately 3000 additional compensation cards and involves the following:

3 Man Hours Labor	\$5.25
Machine Rental	1.67
Card Cost	<u>3.15</u>
Total Cost Per Pay Period	\$10.07

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The proposed procedure would require producing approximately [redacted] Employee Statement of Earnings and Deductions cards involving the following:

8 1/2 Man Hours Labor	\$14.45
Machine Rental	24.38
Card Cost	<u>8.40</u>
Total Cost Per Pay Period	\$47.23

5. Without giving consideration to the possible savings of approximately \$2000 per annum in the cost of T/A forms as mentioned above the additional annual cost of the proposed procedure in the IBM operation amounts to \$966.16. However, \$590.46 of this additional cost is for machine rental and is a part of the present rental cost of the Machine Records Branch; thus, this would not be an additional cost until such time as overall utilization of machines in that Branch required additional machines. This slight additional cost of the IBM operation seems justified when considered with: improved reporting to all individuals, simplification of the distribution function with an estimated saving of approximately \$700 per annum in the Payroll Branch, and elimination of the merging operation with an estimated equal saving in the administrative offices.

6. There is attached a format of the proposed new IBM card and your consideration and approval of the proposed procedure, with return of the format, is requested.



Attachment

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